# **BALANCED BUDGET AMENDMENT/Statement Against Tax Cuts**

SUBJECT: A Resolution Proposing a Balanced Budget Amendment to the Constitution of the United States . . . H.J. Res. 1. Hatch motion to table the Feingold motion to refer with instructions.

## **ACTION: MOTION TO TABLE AGREED TO, 66-32**

**SYNOPSIS:** Pertinent votes on this legislation include Nos. 62-63, 65-66, and 68-98.

As passed by the House, H.J. Res. 1, a resolution proposing a Balanced Budget Amendment to the Constitution, is virtually identical to the balanced budget constitutional amendment that was considered last year by the Senate (see 103d Congress, second session, vote Nos. 47-48). The resolution: will require a three-fifths majority vote of both Houses of Congress to deficit spend or to increase the public debt limit; will require the President's annual proposed budget submission to be in balance; and will require a majority of the whole number of each House to approve any bill to increase revenue. Congress will be allowed to waive these requirements for any fiscal year in which a declaration of war is in effect. Congress will enforce and implement this amendment by appropriate legislation. The amendment will take effect in fiscal year 2002 or with the second fiscal year beginning after its ratification, whichever is later. The States will have 7 years to ratify the amendment.

The Feingold motion to refer H.J. Res. 1 to the Budget Committee with instructions to report it back forthwith in status quo would instruct the Committee, at the earliest date possible, to issue a report which would consist of 10 findings and the following statement: "It is the sense of the Committee that reducing the Federal deficit should be one of the nation's highest priorities, that enacting an across-the-board or so-called middle class tax cut during the 104th Congress would hinder efforts to reduce the Federal deficit, and that enacting such tax cuts would be inconsistent with proposals to adopt a Constitutional amendment to balance the budget."

Debate was limited by unanimous consent. Following debate, Senator Hatch moved to table the motion. Generally, those favoring the motion to table opposed the Feingold motion; those opposing the motion to table favored the Feingold motion.

**Those favoring** the motion to table contended:

(See other side)

<b>YEAS</b> (66)			NAYS (32)			NOT VOTING (2)	
Republicans Democrats		Republicans	epublicans Democrats		Republicans Democrats		
(49 or 94%)		(17 or 37%)	(3 or 6%)	(29 or 63%)		(1)	(1)
Abraham Ashcroft Bennett Bond Brown Burns Coats Cochran Coverdell Craig D'Amato DeWine Dole Domenici Faircloth Frist Gorton Gramm Grams Grassley Gregg Hatch Hatfield Helms	Hutchison Inhofe Jeffords Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Pressler Roth Santorum Shelby Simpson Smith Snowe Specter Stevens Thomas Thompson Thurmond Warner	Baucus Biden Bradley Bryan Campbell Dodd Feinstein Heflin Kennedy Kohl Lautenberg Leahy Lieberman Mikulski Rockefeller Sarbanes Simon	Chafee Cohen Packwood	Akaka Bingaman Boxer Breaux Bumpers Byrd Conrad Daschle Dorgan Exon Feingold Ford Glenn Graham	Harkin Hollings Inouye Johnston Kerrey Kerry Levin Moseley-Braun Murray Nunn Pell Pryor Reid Robb Wellstone	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other  SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent inced Yea inced Nay Yea

VOTE NO. 67 FEBRUARY 14, 1995

### Argument 1:

The Feingold motion is predicated on the assumption that the budget is out of balance because the Federal Government does not tax average Americans enough. Based on this assumption, it would express the sense of the Senate that under no circumstances should Congress give the middle-class any tax break in the next 7 years. We disagree both with this assumption and with this sense-of-the-Senate statement. The budget is not out of balance because Americans are taxed too little; it is out of balance because the Federal Government spends too much. Every year the amount collected in taxes goes up, and every year the amount that is spent goes up even more. We think a more appropriate proposal would be to express the sense of the Senate that both taxes and spending should be cut, with spending being cut by a greater amount. Tax cuts, if not weighed down by Congress with new pork-barrel spending, create more opportunities for working people, more savings, more investment, more jobs, and can consequently result in a net increase in revenue collection.

Even adopting sense-of-the-Senate language with which we agree would be inappropriate, though. This constitutional amendment is intended to establish the principle that Congress will balance the budget. The time for fighting out how we will do so will come after it passes and Congress considers implementing legislation to put it into force.

Our colleagues' motivation in offering this motion is rather transparent. Some Democratic Senators have an obvious desire to trumpet their opposition to the tax cut proposals in the Contract with America. They are adamantly opposed to the tax cuts that are proposed in that document, and they wish to use every possible occasion to explain why. We do not begrudge them their opinion, nor do we deny that they have the right to offer this motion. However, we are entitled to our opinion as well, which is that this proposal is wrong in substance and inappropriate in context. We also have the right to vote to table this ill-conceived, inappropriate motion, which we are pleased to exercise. We trust a majority of our colleagues will join us in this vote.

#### Argument 2:

We agree that tax cuts do not make sense when we have huge deficits. However, we do not want this issue getting mixed up with the debate on the balanced budget amendment. We can fight about how to achieve a balanced budget over the next 7 years, and we promise that we will be with this amendment's supporters in opposing any middle-class tax cuts. For now though, we must urge the tabling of the Feingold motion.

#### **Those opposing** the motion to table contended:

Congress needs to level with the American people. Right now, tens of millions of Americans believe the preposterous promises in the Republicans' Contract with America. In that document, Republicans promise they will cut middle-class taxes by \$200 billion over the next 5 years and \$700 billion over the next 10 years, increase defense spending, enact a capital gains tax cut, and still balance the budget in the next 7 years. Republicans made a similar promise 14 years and \$3.5 trillion ago. Surely after this disastrous record they cannot believe their own promises this time. We hope that they will not foolishly move forward on these promises. The American people do not expect or want them to do so; virtually all Americans are willing to sacrifice now if Congress is sincerely willing to restrain spending. With the large deficits we now have, we cannot afford to enact any tax cuts and still balance the budget. The Feingold motion would appropriately express the sense of the Senate that middle-class tax cuts are inconsistent with efforts to balance the budget. The motion to table the Feingold motion should therefore be opposed.